

Remarks

Claims 1 – 20 are pending in this application. No claims have been amended.
Reconsideration of the application is requested.

Priority

Applicant hereby disclaims the previously claimed continuation priority under 35 U.S.C. §120 to U.S. Patent Application Serial No. 09/250,711, entitled “System and Method for Electronically Providing Customer Services Including Payment of Bills, Financial Analysis and Loans”, filed February 16, 1999, which is a continuation of U.S. Patent Application Serial No. 08/372,620, entitled “System and Method for Electronically Providing Customer Services Including Payment of Bills, Financial Analysis and Loans”, filed January 13, 1995 (now U.S. Patent No. 5,873,072), which is in turn a continuation of U.S. Patent Application Serial No. 07/736,071, entitled “Electronic Bill Payment”, filed July 25, 1991 (now U.S. Patent No. 5,383,113). The specification, and in particular, the recitation of “Related Applications” on Page 1 of the specification, has been amended herein to reflect the disclaimer of the originally claimed priority to U.S. Patent Application Serial No. 09/250,711. Although that priority is disclaimed, the present application retains the incorporation by reference of the entire disclosure of U.S. Patent Application Serial No. 09/250,711, as reflected in the amendment to paragraph [0002] of the specification as provided herein.

Applicant also hereby requests that the previously claimed continuation priority under 35 U.S.C. §120 to U.S. Patent Application Serial No. 09/795,314, entitled “Electronic Bill Processing with Enhanced Bill Availability Notification and/or Enhanced Bill Presentation”, filed March 1, 2001, be changed to a continuation-in-part priority under 35 U.S.C. §120 and 37 CFR 1.53(b). This change is made because the specification of the present application incorporates and claims additional disclosure not present in U.S. Patent Application Serial No. 09/795,314. To effect this change, the specification, and in particular, the recitation of “Related Applications” on Page 1 of the specification, has been amended to recite that the application is a continuation-in-part of U.S. Patent Application Serial No. 09/795,314.

Applicant respectfully asserts that the disclaimer and change of priority described above

are proper and resolve outstanding Examiner rejections. Additionally, a new declaration reciting that the present application is a continuation-in-part of U.S. Patent Application Serial No. 09/795,314 will be filed under a separate paper.

Claim Rejections Under 35 U.S.C. § 102

In the Final Office Action, Claims 1-20 were rejected under 35 U.S.C. § 102(b) [sic] as being anticipated by U.S. Patent No. 5,978,780 to Watson. The rejection reiterated the position of the Examiner expressed in the non-final Office Action of January 25, 2005. Based on the remarks presented below, Applicant respectfully asserts that the claims of the present application are allowable, and requests allowance of Claims 1-20.

A. U.S. Patent No. 5,978,780 to Watson ("Watson")

Watson is directed to a system and method for billing and payment. In particular, the system of Watson calculates a total bill for each household and issues a single debit instruction to each financial institution from which households wish to have their payments made (col. 4, lines 55-67). Note, however, that the debit instructions to effect payments to payees via one or more financial institutions are not received *after* the transmission of bills to households. Rather, debit instructions are set up before-hand – only after bills are automatically paid is a statement sent to a household. Therefore, no interaction by the payor is required for payment to each payee, and the system of Watson serves only to report payments already made by the system.

The system of Watson can also adjust the payment made on behalf of each household based on the risk of slow, partial and default payments (col. 4, lines 46-54). As described by Watson, the system spreads risk among the many households by normalizing it in the calculated monthly payment (which is disclosed as being the same each month) and the system eats any losses which it prepares for with reserve funds from slight overpayments charged. Additionally, Watson discloses that financial institutions receive debit instructions and debit individual households accounts (using electronic debit or credit/charge card debit) as instructed by the personal settlements exchange (col. 4, lines 55-67).

B. The Claimed Invention Is Distinguishable from Watson

As described in detail below, Watson fails to disclose at least the claimed recitations of: (1) receiving a payment instruction from a payor to pay the bill based on transmitted bill information; and (2) selecting a debit type based upon determined risk associated with payment of a bill.

(1) Watson does not pay bills based on an instruction received from a payor responsive to receiving a transmitted bill

As described above, the system of Watson serves a reporting function by providing consolidated billing statements to households. The transmission of information in the Watson system is illustrated and described with respect to FIG. 2. Notably, household payors do not communicate with the Personal Settlements Exchange subsequent to signup. In fact, only after payments are made is a consolidated billing statement issued to households 102 “containing all service establishment (SE) 101 data on payments made, current billings, service consumption, and next payment date, among other potential items of information, including advertising and promotional messages that service establishments may wish to communicate to their household accounts” (Watson, col. 5, lines 25-32). Thus, billing statements in the Watson system serve only reporting functions and are not communications seeking a user response.

In direct contrast to Watson, the claimed invention requires that a payor transmit a payment instruction based on (i.e., only after) receiving bill information. Unlike the system of Watson, where bills are automatically paid and only afterwards is a statement transmitted, the present invention requires action by the user – the transmission of a payment instruction. Not only does the Watson system fail to receive payor instructions subsequent to mailing a consolidated bill, the system described in Watson is designed to avoid the requirement of such an instruction. For instance, the computation of a risk factor for a payment amount, as described in greater detail below, is employed to minimize risk due to the payment automatically generated by the system without payor instruction.

For at least the reasons set forth above, Applicant respectfully asserts that each of the pending claims are allowable over Watson.

(2) Watson does not select a debit type based on a determined risk

As noted above, in the system disclosed by Watson the risk of slow, partial and default payments is factored into determining a calculated monthly payment, i.e., a *payment amount*. The Examiner cites column 4, lines 46-54 and lines 55-67, reproduced in their entirety directly below, to support that a risk determined by Watson is used as a basis for selecting a *debit type*:

The personal settlements exchange (PSX) 103 processes this information [service volume and billing detail 12] in several ways, including calculating a payment for each household (HH) 102 (potentially adjusted for the risk of slow, partial and default payments) to each service establishment (SE) 101. This set of payments is consolidated for each household (HH) 102 into a consolidated actual or consolidated proforma payment representing the total obligation value computed for each household.

With this processing completed, the personal settlements exchange (PSX) 103 issues a set of debit instructions 17 to all financial institutions (FIN) 104, including banks, from which households (HH) 102 wish to have their payments made. These financial institutions (FIN) 104 receive and store these instructions, and then debit their individual household members' accounts for the proforma or actual consolidated payment amount (using electronic debit or credit/charge card debit) as instructed by the personal settlements exchange (PSX) 103, and issue payment confirmation 18 to the personal settlements exchange (PSX) 103. The personal settlements exchange (PSX) 103 processes any partial or delayed payments to maximize its cash collections.

Watson, col. 4, lines 46-67. The above language describes the debiting of household members' accounts as instructed by the personal settlements exchange (PSX), which may adjust a payment amount based on the risk of slow, partial and default payments. (See also Watson col. 5, line 66 to Col. 6, line 31 for discussion of payment risk calculation and its impact on payment amounts.) It is clear that the system of Watson is limited to changing a payment amount based on risk – the system of Watson does not select a *debit type* based on a determined risk. Debit types are unquestionably different from the debit or payment amount described by Watson. Debit types are discussed at length in the specification of the present application, and are expressly recited in dependent claims. For instance, a debit type may include a deposit account associated with a service provider, a debit account of a biller, RPS credit, a negotiable instrument, or the like (specification, Page 7).

Furthermore, because no change in debit type is contemplated by Watson, only a change in payment amount, the personal settlements exchange (PSX) of Watson always assumes the risk of that funds are not available to reconcile payments. In contrast, in the present invention a change in the debit type may result in the transfer of risk away from the service provider because debit types are associated with a target (e.g., the service provider or payee). For instance, a debit type that results in funds deposited into a service provider account will result in the service provider assuming the risk for credits made to a payee, whereas a debit type that results in funds being directly payable from the payor to the payee will not result in the service provider assuming *any* risk, as the service provider's account is not involved in the payment flow. Thus, using the system of the present invention, if the risk is deemed too high the system may require that the debit type be a check issued by the household payor to avoid the assumption of any risk by the service provider. Thus, not only does Watson fail to suggest changing a debit type, the system of Watson fails to suggest or permit any transfer of risk, which is an impetus for the present invention's claimed selection of debit type.

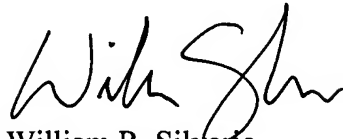
For each of the reasons set forth above, Applicants respectfully assert that each of the claims of the present application are allowable.

Conclusion

The applicants believe they have responded to each matter raised by the Examiner. Allowance of the claims is respectfully solicited. It is not believed that extensions of time or fees for addition of claims are required beyond those that may otherwise be provided for in documents accompanying this paper. However, in the event that additional extensions of time are necessary to allow consideration of this paper, such extensions are hereby petitioned under 37 CFR §1.136(a), and any fee required therefore (including fees for net addition of claims) is hereby authorized to be charged to Deposit Account No. 19-5029.

Applicant: Kight et al.
Filed: December 1, 2003
Application No.: 10/608,548

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Will Silverio', written in a cursive style.

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